KANSAS AGRICULTURAL STATISTICS SERVICE

Fact Finders For Agriculture

LIVESTOCK

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Kansas Cattle On Feed

The number of **cattle on feed** on June 1, 2004 in Kansas feedlots with 1,000 head or more capacity totaled 2.25 million head, down 1 percent from a year ago but up slightly from May 1, 2004. **Placements** during May totaled 495,000 head, down 10 percent from a year ago but 39 percent above April 2004 placements of 355,000 head. **Marketings** during May totaled 465,000 head, 12 percent below May 2003 but 6 percent above April 2004. **Other disappearance** was 20,000 head, unchanged from a year ago but down 15,000 from the previous month. The percent of May placements by weight was: under 600 pounds, 13 percent; 600-699 pounds, 19 percent; 700-799 pounds, 40 percent; and 800 pounds or heavier, 28 percent.

U.S. Cattle On Feed

Cattle and calves on feed for slaughter market in the United States in feedlots with capacity of 1,000 or more head totaled 10.62 million head on June 1, 2004. The inventory was up 1 percent from the 10.54 million head on June 1, 2003 but 3 percent below June 1, 2002. **Placements** in feedlots during May totaled 2.36 million, 2 percent above 2003 and 4 percent above 2002. Net placements were 2.28 million. During May, placements of cattle and calves weighing less than 600 pounds were 495,000; 600-699 pounds were 486,000; 700-799 pounds were 772,000; and 800 pounds and greater were 610,000. **Marketings** of fed cattle during May totaled 2.03 million, 9 percent below 2003 and 7 percent below 2002. **Other disappearance** totaled 79,000 during May, 22 percent above 2003 and 3 percent above 2002.

Cattle On Feed, Placements, Marketings, And Other Disappearance, 1,000+ Head Capacity Feedlots, Selected States and United States, May - June 2003 - 2004

State	Number on Feed [1]				May Placements		May Marketings		Other Disappearance during May [2]	
	May 1 2004	June 1 2003	June 1 2004	% of 2003	2003	2004	2003	2004	2003	2004
	1,000 Head	*1,000 Head*	*1,000 Head*	*(%)*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*
AZ	295	266	294	111	38	29	39	28	2	2
CA	500	485	520	107	83	91	66	63	2	8
CO	940	990	1,010	102	205	265	205	180	10	15
ID	250	260	255	98	53	74	67	67	1	2
IA	415	345	400	116	48	50	70	63	3	2
KS	**2,240**	**2,270**	**2,250**	**99**	**550**	**495**	**530**	**465**	**20**	**20**
NE	2,100	1,930	2,010	104	360	390	500	470	10	10
NM	105	110	119	108	30	28	20	12	1	2
OK	310	360	330	92	98	92	67	70	1	2
SD	200	198	188	95	34	28	44	37	2	3
TX	2,560	2,880	2,810	98	730	740	520	480	10	10
WA	160	160	155	97	30	35	39	39	1	1
Oth Sts	285	285	275	96	48	46	71	54	2	2
U.S.	10,360	10,539	10,616	101	2,307	2,363	2,238	2,028	65	79

[1] Being fattened for slaughter market on grain or other concentrates to grade select or better. [2] Includes death loss, movement from feedlots to pastures and shipments to other feedlots.

Cattle On Feed: Number Placed On Feed By Weight Group, 1,000+ Head Capacity Feedlots, Selected States and United States, May 2003-2004

State	Placed in May: Under 600 lbs.		600-699 lbs.		700-799 lbs.		800 Plus lbs.		Total	
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	1,000 Head	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*	*1,000 Head*
CO	25	46	32	68	78	103	70	48	205	265
KS	**60**	**65**	**85**	**95**	**205**	**195**	**200**	**140**	**550**	**495**
NE	38	54	43	60	131	134	148	142	360	390
TX	150	190	150	185	225	225	205	140	730	740
Other States	135	140	57	78	110	115	160	140	462	473
U.S.	408	495	367	486	749	772	783	610	2,307	2,363

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MARKET IMPLICATION -Provided by Jim Mintert, Extension Ag Economist at KSU - Research & Extension Service

Kansas' slaughter cattle prices surged in early June, averaging over $89/cwt. the first two weeks of the month before slipping this week to about $87/cwt. this week. Weakness in slaughter cattle prices was precipitated by declining wholesale boxed beef prices. USDA's estimated light Choice cutout value averaged about $148/cwt. this week, down from $155/cwt. last week. Despite this week's price weakness, USDA's light Choice cutout from April through June 18th averaged about $155/cwt., 11% higher than last year. At the same time, Kansas' slaughter steer prices averaged $87/cwt., also 11% higher than last year. Year-to-date, Kansas slaughter cattle prices have averaged $80.37/cwt., about 2% higher than during 2003.

Cattle slaughter continues to run well below a year ago. Federally inspected cattle slaughter over the four weeks ending 6.19.04 averaged 11.9% smaller than during 2003. Part of the year-to-year slaughter decline is attributable to the surge in slaughter that occurred during 2003 following Canada's identification of a BSE case in Alberta. Nevertheless, cattle slaughter has been smaller than expected this spring. Commercial cattle slaughter this spring will wind up about 9% smaller than during April-June 2003.

Steer weights in recent weeks have been near a year ago, although they will likely average nearly 1% below last year for the April-June quarter. Dressed cattle weights will likely average fractionally higher this spring than during 2003. Looking ahead, a more sluggish marketing pace this summer than last year should lead to heavier marketing weights than during 2003. As a result, cattle weights this summer and fall are expected to average 2 to 3% heavier than last year.

After falling below a year ago on May 1, USDA's June **Cattle On Feed** report indicated the on feed inventory was 0.7% larger than last year. The modest year-to-year increase in the on feed inventory was the result of small fed cattle marketings during May (down 9.4% in total, and down 4.9% on an average daily basis, since there was one less weekday this year than last) and the first year-to-year net placements increase since December. Overall, the on feed inventory was slightly larger than the average trade estimate before the report. USDA's marketings estimate was slightly smaller than expected and placements on feed were slightly larger than expected prior to the report's release.

Despite the modest increase in net placements on feed during May, combined net placements during April-May were still down 264,000 head (-6.5%) compared to last year. And from January through May, net placements on feed were down by 892,000 head, a reduction of 9%). Placements of heavy weight cattle on feed were down again during May, as placements weighing over 800 pounds fell 22% below a year ago. From February through May, placements of cattle weighing over 800 pounds declined 28% compared to 2003's.

Given this year's placement pattern, it looks like cattle slaughter supplies this summer will remain well below a year ago, probably averaging 7 to 8% below 2003's. Heavier weights, however, mean that the year-to-year decline in beef production will be smaller than the slaughter decline. Ongoing strength in domestic consumer demand for beef could keep U.S. slaughter cattle prices at or above last year's level this summer, likely averaging in the low to mid-$80's. Prices during the October-December quarter are expected to be seasonally higher than this summer, but actual price strength will depend on whether the U.S. regains access to the Japanese market. Unless the Japanese lift their embargo on U.S. beef, prices this fall are likely to average well below last fall's $95 average, more likely trading in the upper $80's.

For a more detailed narrative visit www.agmanager.info/livestock/marketing/

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